MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2018/2019

UCL3612 – COMPANY LAW I

(All sections / Groups)

22 OCTOBER 2018
Reading Time : 2.30 p.m – 2.45 p.m
(15 mins)
Answering Time : 2.45 p.m – 5.45 p.m
(3 Hours)

INSTRUCTIONS TO STUDENTS

1. Students will have **fifteen minutes** during which they may read the paper and make rough notes ONLY in their question paper. Students then have the remaining **THREE HOURS** in which to answer the questions.

2. This Question paper consists of 3 pages with 5 Questions only. Answer **ALL** questions in **PART A** and **ONE (1)** question in **PART B**.

3. All questions carry equal marks and the distribution of the marks for each question is given .

4. Students are only allowed to bring in CLEAN AND ORIGINAL COPY of the COMPANIES ACT 2016 into the exam venue. "Clean" is defined to include no tagging, no annotation either by the publisher or anyone else, and no erased marking. Highlighting and underlining are also prohibited.

5. Please write all your answers in the Answer Booklet provided.

PART A : ANSWER ALL QUESTIONS

QUESTION 1

Companies are set up as vehicles for businesses. Identify and discuss the types of companies and the effect of the company upon registration under the Companies Act 2016.

(Total: 25 marks)

QUESTION 2

Discuss the concept of "corporate veil" and under what circumstances is the Court likely to lift it?

(Total: 25 marks)

QUESTION 3

Harlem Sdn. Bhd. (Harlem) is a company incorporated under the Companies Act 1965. Joyce and Wills are directors of Harlem. They are also the only shareholders of Harlem, holding equal percentage of shares. Joyce wish to alter the existing Memorandum and Articles of Association and replace with a new constitution. However, Wills wish to retain the existing Memorandum and Articles of Association as Harlem's constitution.

Advise Joyce.

(Total: 25 marks)

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PART B : ANSWER ANY ONE QUESTION ONLY

QUESTION 4

Chelsea Berhad (Chelsea) is in oil and gas industry, having 150 shareholders. The company owns several concession righst to mine oil in Terengganu and Sarawak. It was made known in one of the board of director's meeting that Chelsea is having problem in one of the land and is seeking for new area for mining purposes.

Byers, a director of Chelsea, informed the board that his wife, Wheeler was given several acres of land located in Sarawak by her late father and she wanted to sell the land. He assured Chelsea that he has seek the assistance of a specialist to determine the existence of oil under the said land. Hawkins, the CEO of the company and the board of directors resolved that due diligence should be conducted prior to purchasing the land.

During the due diligence process, Byers and Wheeler disclosed forged documents and hide some potential risks and liabilities to the lawyers handling the due diligence. Based on the documents and information provided by Byers and Wheeler, the final due diligence report indicated that the land is valuable and worth more than RM15 million.

Satisfied with the report, Hawkins agreed to purchase the land for RM15 million. Soon after the purchase of land was finalised, Byers resigned from his position in Chelasea.

Advise Chelsea.

(Total : 25 marks)

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QUESTION 5

Datuk Zamani is the CEO of Greenwich Village Sdn. Bhd. (Greenwich) and he has been in the position since 2006. However, due to change in the shareholding power, Datuk Zamani was asked to resign alongside 3 other board members. It was further found that Greenwich awarded a loan amounting to RM180,000 to Datuk Zamani's step son, Samuel to purchase a car. This loan was authorized by Datuk Zamani.

Pursuant to his resignation, Datuk Zamani was awarded the amount of RM 1.7 million as a compensation for loss of office by Greenwich. In the same month, Greenwich receive a request by Newby, one of the shareholders of the company holding 10% shares in Greenwich to pass a resolution that the payment is unfair.

Advise all parties to their rights and liabilities.

(Total : 25 marks)

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